

Washington, D.C. — Congresswoman Melissa Bean (IL-08), who has led the charge against identity theft and helped craft legislation to strengthen safeguards of consumers' personal financial information, this week introduced legislation that would preempt IRS plans to allow increased, unsolicited access to private taxpayer information and instead ensure that protections remain at their current levels.

The bill comes in response to a recent IRS proposal that would give tax preparers more leeway to sell clients' personal financial information to marketers and data brokers. Tax preparers would be able to profit from the sale of entire copies of tax forms or of specific information about a taxpayer's income, homeownership, investments, number and age of children, or charitable donations. Current regulations restrict such a sale only to a tax preparer's "affiliated groups" rather than third party organizations not involved in the tax preparation process.

"Each time someone's personal financial information is transmitted, the risk of identity theft or financial fraud increases," Bean said. "Taxpayers should feel confident that the details of their personal finances will be protected by the professional tax preparers to whom they are entrusted. Yet, IRS rules make it easier for that information to be sold, transmitted and potentially stolen. This bill is necessary in order to secure the peace of mind taxpayers deserve."

While tax preparers would have to obtain written consent from their clients in order to sell personal information to third party groups, the IRS proposal is especially disturbing because it explicitly permits wide-scale sharing of sensitive personal information.

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